GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:950
ANSWERED ON:23.11.2001
CONCESSION UNDER DUTY ENTITLEMENT PASS BOOK SCHEME
RAMESH CHAND TOMAR

Will the Minister of FINANCE be pleased to state:

(a)Whether in term of the Exim Policycertain bulk drugs when exported under Duty Entitlement Pass Book Scheme aresubject to value caps and value caps are not applicable when formulations based on such bulk drugs are exported :

(b)if so, whether the Government are aware the Custom authorities insisit on applying value caps on such formulations, thus denying the exporters of such formulations DEPB benefits:

(C) if so, the reasons for the Custom authorities for interfering with the functioning of licencing authorities which in-turun had adverse impact on exports:and

(d)the steps being intiated by the Government to resolve the issue ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a), (b), (c) & (d): Yes, Sir, Certain bulk drugs exported under DEPB Scheme are subject tovalue caps and DEPB Credit rates on drug formulations are expressed as certain percentage of the rates applicable for the bulk drugs. The Department of Revenue was of the view that the DEPB rate on drugformulations would comprise of both the rate given the DEPB schedule as percentage of FOB value and the value cap, wherever applicable. The issue has been resolved by issuance of Public Notice No. 50(RE-01)/1997-2002 dated 13.11.2001 by DGFT and Circular No.67/2001-Cus. Dated 20.11.2001 by Department of Revenue respectively.